DOCUMENT RESUME

ED 077 471 HE 004 309

TITLE	Functions of Boards of Trustees in Higher Education.
INSTITUTION	Commission on Higher Education, Newark, N.J. Middle States Association of Colleges and Secondary Schools.
PUB DATE	Apr 71
NOTE	5p.; Revised April 1971
AVAILABLE FROM	Middle States Association of Colleges and Secondary Schools, Commission on Higher Education, One Gateway Center, Newark, New Jersey 07102 ($.50)
EDRS PRICE	MF-$0.65 HC Not Available from EDRS.
DESCRIPTORS	*Administrator Role; *Educational Administration; *Governance; *Governing Boards; *Higher Education

ABSTRACT

Many different kinds of structure and procedures characterize the governing boards of American institutions of higher education. A board's effectiveness does not depend on adherence to any particular pattern but on the clear understanding of its function and acceptance of responsibility for it. This document presents some primary aspects of the governing board's role and of generally accepted principles under which successful boards work. (Author)

ED 071471

COMMISSION ON HIGHER EDUCATION
Middle States Association of Colleges and Secondary Schools
225 Broadway, New York, N. Y. 10007 (212) 227-4250

Revised April 1971

FUNCTIONS OF BOARDS OF TRUSTEES IN HIGHER EDUCATION

Many different kinds of structure and procedures characterize the governing boards of American institutions of higher education. A board's effectiveness does not depend on adherence to any particular pattern but on the clear understanding of its function and acceptance of responsibility for it. This document presents some primary aspects of the governing board's role and of generally accepted principles under which successful boards work.

Trustees of higher educational institutions are responsible for long range policy and planning, presidential relations, developing financial resources and support, and a major role in external relations.

Institutional Planning and Policy Formulation

The trustees represent the founders, benefactors, and the public in directing the accomplishment of the purposes for which an institution was established.

These steps are involved: (1) understanding what the institution was created to accomplish; (2) interpreting, clarifying, and relating its aims to present-day conditions; (3) helping others understand them; and (4) planning to assure its continuity and effectiveness.

Charters, articles of incorporation, historical records such as minutes of sponsoring bodies and similar official documents usually tell why the institution was organized. These basic statements are binding, unless they have been legally changed. The difficulty is that they are usually too general to give trustees precise guidance. Yet trustees can not make wise plans and decisions without a clear understanding of their mission. If a precise statement of this mission has not been given them, they must have one created by reducing to explicit contemporary terms the general directives of founders and benefactors. A declaration of institutional objectives thus produced will define the institution's aims so sharply that administrators, faculty, students, constituency, and the trustees themselves can test the validity of the institution's programs by it and use it as a plan for action to stimulate, guide, and control its development.

Many other factors influence trustees in interpreting an institution's aims. Tradition, the nature of the sponsoring group, the hopes, desires, and expectations of the constituency to be served, the point of view of the particular academic community, and practical educational considerations are among them. Understanding and assessing all these forces is a large undertaking. Fortunately college and university trustees have available in the academic community a wealth of experience and intellectual power which they can use to immense advantage in formulating the declaration of objectives and plans for the future of the institution.

HE 004 309

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION
THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

They have this advantage also when they draw up or revise basic operating policies which follow and rest upon the definition of objectives. Such actions are apt to have ramifications which no one person or group can foresee. Therefore it is wise to give full scope for discussion. The president and faculty have to live with the decisions even more than the board does. They are more intimately affected. Furthermore their educational experience is usually broader than the board's. The board itself must make the ultimate basic decisions but an alert board will encourage thoughtful initiative on the part of the president and faculty in sharpening issues and shaping the answers. This may be facilitated by maintaining regular channels for discussion with faculty and student representatives, such as joint committees and occasional quasi-social events. The president should always be included.

Relation to the President

The president is the executive officer of the institution through whom the board carries out its program and exercises its control. His selection is one of their primary concerns. They may be limited by legal or other considerations and their action may require confirmation by another body, but the power to select (and when necessary to replace) a president is essential to the board's proper functioning. Once chosen, the president is responsible to the board for executing its policies, receiving support and encouragement but without interference.

Good relationships between board and president are fostered by clear job analyses in three areas: the board's duties, the president's, and the faculty's as an academic body. The board will need the help of the president and faculty in formulating such functional descriptions. But approving them, giving them effect, and revising them as experience accumulates or conditions change are the board's responsibility.

Their duties are closely related to those of the president and his administrative staff and to those of the faculty, but distinct from them. The president is the board's adviser and the institution's executive officer. The faculty is the professional body which, under the president's leadership and with the advice of others in the college community creates and operates the educational program. The trustees exercise their control through the president. He can work effectively only if he is given full responsibility and complete support, including the resources to carry out the program the trustees have approved.

The president should always attend board meetings, and is usually the only administrative officer who is a member of the board. His membership and attendance should terminate automatically when he vacates the presidency.

The president must keep his trustees accurately informed on the institution's affairs. He should consult the trustees, and they him, on major decisions. He should be expected to have opinions of his own and to defend them before the board, but to adhere faithfully to board policy once it has been established or relinquish his office.

The president is the official channel of cummunication between the professional staff and the trustees. Whatever mechanisms are used to get the benefit of faculty and other opinions on such matters as basic curricular decisions, the budget, and conditions of employment (appointment, promotion and retirement policies, salary scale, tenure, pensions, academic freedom, etc.), sound administrative practice allows neither side to by-pass the chief executive officer. As long as the trustees retain a president in office their only possible way to obtain effective administration is to

work with and through him. Similarly, as long as a president retains his office he is obligated to carry out his board's policies. He has every right to try to change the board's opinions but not to ignore or circumvent their actions.

Both president and board should understand that tenure does not apply to any administrative position, although it should protect an individual's membership in the teaching faculty if he holds a dual appointment. If a president is unable to accept and execute a major decision of his board and the board is unwilling to change it, he is obligated to resign his office. If a president proves incapable of conducting an institution's affairs successfully or unwilling to conduct them in harmony with the trustees' wishes the trustees are obligated to replace him.

Discharging a president is an exceedingly serious step, to be taken only after all other recourse has failed, but it is an action the trustees have no right to evade. The good of the institution takes priority, subject only to normal ethical considerations.

Financial Development

As custodians of an institution's resources trustees should hold title or be the leaseholders of its property and oversee management of its investments. They should retain direct control over major changes in the physical plant and indirect responsibility, through the president, for its maintenance and repair.

Trustees determine an institution's budget, setting fees and other charges. Budget making is a powerful form of control. Obviously this is one of the areas in which there must be the closest understanding and cooperation between president and board. Unquestionably the board has final authority over budgets and expenditures. Just as unquestionably they need the professional judgment and experience of administrators and faculty in deciding how best to use the institution's resources. The professional staff's recommendations require thoughtful consideration, but ultimately the board must decide.

In financial affairs the trustees must confine themselves, as they do in academic matters, to basic policy, holding the president responsible and accountable for internal operations. For the board to dictate accounting systems, to control budget expenditures, to interview prospective appointees, or to expect the institution's business officer to report directly to them rather than through the president invites trouble. Good administration always combines responsibility and authority.

No institution ever has enough money. The better it is, the wider and more compelling its opportunities will be. But an educational institution differs from a commercial enterprise in that it can not increase its profits by larger sales and greater diversification. Since student fees rarely cover the real cost of the student's education, larger enrollments may increase costs more rapidly than income, except for adjustments in the efficient size of units. Diversification of educational programs costs more than integration. Graduate work costs more than undergraduate. Invariably, the gap between cost and income in a progressing educational institution must be closed from sources other than fees.

The most common sources for private institutions are endowments and gifts. Colleges conducted by religious orders often have the equivalent of significant endowments in the contributed services of their members. Public institutions receive direct aid, usually in several forms. Both public and

private universities frequently seek what may be an important percentage of additional income through sponsored research and other services, although the true costs of these enterprises are so difficult to determine that their net yield may be smaller than expected.

The trustees must cultivate all appropriate sources of income. They fail in their responsibilities if they seek to balance the budget merely by curtailing expenditures. They must guard against unjustified expansion and they must require efficiency, although efficiency is difficult to judge in higher education - effectiveness is more important - but the trustees must also find continuing support for improvement.

In private institutions, this is a part of their financial obligation which trustees sometimes forget. It is not primarily the president's responsibility to raise funds - it is the trustees'. They need the president's leadership, but the actual responsibility rests on the board, collectively and individually. One vital factor in assessing the effectiveness of a board of trustees is the extent to which they (a) contribute personally each according to his means, and (b) obtain contributions from others.

There is one recourse which trustees should not take: they should not divert the purpose or dissipate the principal of endowment funds which were given for permanent investment. The precise terms of a gift usually govern this completely. Money given without restriction as to use, or which is an accumulation from previous surpluses, can be used for current expenses even though it has been functioning temporarily as endowment, but the principal of restricted funds should never be. Although trustees are given considerable latitude in the investment of endowment fund assets, they must be prudent in discharging this responsibility.

External Relations

It follows from the trustees' financial responsibility as well as from their dedication to the total welfare of the institution that public relations will be one of their primary concerns. They will encourage and support the efforts of the president and staff, but their most effective service in this connection will be as direct representatives and interpreters of the institution to the public. Trustees have one great advantage over the professional staff as emissaries of a college or university: they have nothing to gain personally. With intimate access to many diverse groups their detached position inevitably lends weight to their views and appeals. Board members must be keenly aware that their friends and acquaintances are likely to see the institution through their words and attitudes. They must be equally sensitive and discerning in interpreting the public to the institution.

In public institutions (and some private), relations with government bodies and with coordinating boards or agencies constitute another important part of the external relations responsibilities of trustees. This is inescapably tied to their planning function and to financial development.

Other Responsibilities

Trustees necessarily deal with many matters in addition to their primary functions. Among these often are: approving introduction or deletion of curriculums, but not of particular courses; confirming appointment of major academic and administrative officers; establishing salary scales; dealing with controversial questions in such areas as research and intercollegiate athletics; approving

statutes and bylaws; and handling the institution's legal affairs. They receive through the president the periodic reports of its officers, committees, and auditors; they serve as a court of appeals; they award degrees.

Personnel for the Board

Trustees, although they are not usually educators themselves, profoundly influence and often control the direction of higher education. The implication is obvious: the personnel of the board is of fundamental importance.

The first requisite is an orderly and intelligent method of selection. It should ensure a knowledge of the institution's needs on the part of the selecting authorities and the widest possible range of choice. The search for talent should be continuous, and the process of appointment deliberate.

Acceptance of trusteeship should also be deliberate, for while appointment is an honor and an outstanding opportunity for service, no man or woman of conscience will undertake so serious a responsibility without being prepared to give it the substantial measure of time and energy it demands.

No trustee should enter into a business relationship for his own gain with an institution on whose board he serves. To do so is ethically questionable, open to misinterpretation, and frequently illegal.

There is much to be said for a time and age limit for remaining on the board. There are many ways in which able and experienced individuals can serve the institution and be honored for it after they have left the board. Continuity is certainly desirable but so is the development of new strength and interest. A forward-looking trustee is more eager to build for the future than to hold his own board membership indefinitely. There should be specific provision for removal of inactive or otherwise ineffectual members of a board.

There is no substitute for an able and informed governing board which understands its functions and discharges them competently.

NOTE: This is one of a series of documents published by the Commission on Higher Education. While each document may be used separately, each should also be viewed in relationship to the document entitled Characteristics of Excellence in Higher Education. A current list of publications is available from the Commission's office.

Copyright: June 1971

(1m 6/71)
(1m 4/72)